



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Scott P. Johnson

SUBJECT: SEE BELOW

DATE: May 6, 2009

Approved

Christine F. Shippey

Date

5/7/09

SUBJECT: REPORT ON BIDS FOR HOLD ROOM FURNITURE FOR THE NORMAN Y. MINETA SAN JOSE INTERNATIONAL AIRPORT

REASON FOR ADDENDUM

The first five gates of the North Concourse are scheduled to open on July 1, 2009. Due to the lead time from the supplier of up to nine weeks, staff requested to add the award of contract to the May 12, 2009 Council Agenda. This addition complies with the City's Open Government ordinance.

RECOMMENDATION

Report on bids and award the purchase of Hold Room Furniture for the Norman Y. Mineta San José International Airport (Airport) to Zoeffig LTD (North Cornwall, United Kingdom), the low bidder, for a total amount not to exceed \$1,990,023.80; including delivery, assembly, installation and sales tax and authorize the Director of Finance to:

1. Execute purchase orders as required to meet the Airport's timeline for the opening of Terminal B.
2. Approve a contingency in the amount of \$183,330 for any unforeseen changes or requirements that may arise prior to the completion of the furniture installation.

OUTCOME

To furnish the Norman Y. Mineta San José International Airport with new and state of the art seating and hold room furniture.

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BACKGROUND

In June of 2004, Council approved the North Concourse as the first element of construction for the expansion of the Norman Y. Mineta San José International Airport (Airport). In November of 2005, Council approved recommendations to proceed with construction of the Terminal Area Improvement Program (TAIP) for the Airport. Construction of the TAIP began after Council awarded a design-build contract to Hensel Phelps Construction Company on July 17, 2006. Construction of the TAIP continues and the project is on time and on budget.

As part of the TAIP, the existing hold room seating in Terminal A needs to be replaced and seating is required for Terminal B and the North Concourse. Much of the existing seating at Terminal A is over eighteen years old and is in need of replacement. Through the contract with Hensel Phelps Construction Co., a design task-order was created for the layout and specifications for hold room seating. This design became the basis for the furniture specifications and layout used in this Request for Bid (RFB).

The new hold room seating will provide a common look and feel across the Airport complex to facilitate ease of use, maintenance, uniformity and improved passenger comfort. Many of the new seats will have electrical outlets that will enable passengers to power or charge their battery operated devices, such as laptop computers, PDAs, and/or cell phones. In addition, some of the new seats will also include integrated ducting underneath the seats as part of the HVAC system to provide fresh air distribution to the Terminal without visible ductwork that might detract from the aesthetics of the building.

ANALYSIS

On February 11, 2009, the Finance Department released a RFB through the City's e-procurement system. Sixty-one (61) companies viewed the bid documents, thirty-one (31) companies downloaded the bid documents, and eleven (11) companies attended the mandatory pre-bid conference that was held on February 25, 2009.

The bid included a process that required prospective bidders to submit product samples, catalogs, data sheets, and related documents to demonstrate that the functional and aesthetic specifications were met. Through this process, a total of four manufacturers were pre-approved by the City as meeting or exceeding the bid specifications. All four manufacturers submitted a bid (as outlined in the table on the following page).



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	QTY	Zoeftig, Ltd. (North Wall, United Kingdom)	Arconas Corporation (Ontario, Canada)	Thompson/ Kusch + Co. (Bohemia, NY)	Figueras Seating (Miami, FL)
Curved Seats	1,172	\$404,832.24	\$583,656.00	\$898,384.88	\$838,237.84
Straight Seats	448	\$153,767.04	\$202,446.00	\$333,519.71	\$291,742.08
Straight Seats w/Power	449	\$221,460.27	\$285,564.00	\$441,201.85	\$393,930.15
Air Diffuser Seats w/Power	750	\$913,927.50	\$759,750.00	\$959,362.50	\$960,675.00
Maintenance Training	1	\$0.00	\$0.00	\$0.00	\$4,800.00
Assembly/Installation	1	\$139,342.95	\$239,090.00	\$125,682.70	\$264,719.95
Subtotal:		\$1,833,330.00	\$2,070,506.00	\$2,758,151.64	\$2,754,105.02
Sales Tax:		\$156,693.80	\$169,405.98	\$243,503.38	\$229,824.12
Total:		\$1,990,023.80	\$2,239,911.98	\$3,001,655.02	\$2,983,929.14

None of the bidders requested consideration for the City's Local and Small Business Preference. Therefore, the preference was not a factor in the award.

No protests were received by the ten-day protest period that commenced after the notice of intent to award the bid was sent to all bidders on April 6, 2009. However, on April 27, 2009, the Chief Purchasing Officer received a protest from Thompson Contract, Inc., the US representative of Kusch + Co., regarding the outcome of the RFB. Although the protest was submitted twelve days after the protest deadline, staff extended every consideration in reviewing the issues raised in the letter. Thompson's main contention was that Zoeftig, the low bidder, failed to provide submittal documentation as required in the RFB. Therefore, Thompson concluded that Zoeftig's products may not meet the bid specifications. The Chief Purchasing Officer responded that Zoeftig's bid was complete and responsive and that the required documentation submittals identified by Thompson's letter will be required of Zoeftig during the manufacturing phase of the project.

Therefore, staff recommends award to Zoeftig Ltd. as the low bidder in accordance with the formal bidding procedures of the San José Municipal Code, Section 4.12.310.B.

Prevailing Wage applies to the Assembly and set-in-place installation of the new furniture.

EVALUATION AND FOLLOW-UP

This memorandum will not require any further follow-up from staff.

POLICY ALTERNATIVES

Not applicable.

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PUBLIC OUTREACH/INTEREST



Criterion 1: Requires Council action on the use of public funds equal to \$1 million or greater; **(Required: Website Posting)**



Criterion 2: Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City. **(Required: E-mail and Website Posting)**



Criterion 3: Consideration of proposed changes to service delivery, programs, staffing that may have impacts to community services and have been identified by staff, Council or a Community group that requires special outreach. **(Required: E-mail, Website Posting, Community Meetings, Notice in appropriate newspapers)**

This item meets Criterion 1. Therefore, the Council Memorandum will be posted on the May 12, 2009, Council Agenda.

COORDINATION

This memorandum has been coordinated with the Aviation Department, City Manager's Budget Office, Office of Equality Assurance, and the City Attorney's Office.

FISCAL/POLICY ALIGNMENT

This action is consistent with the General Budget Principle that, "We must focus on protecting our vital core city services for both the short- and long-term".

COST SUMMARY/IMPLICATIONS

1. AMOUNT OF RECOMMENDATION/COST OF PROJECT:
Total Project Cost: **\$1,990,023.80**
2. COST ELEMENTS OF AGREEMENT/CONTRACT:

Description	Cost
Furniture:	\$1,693,987.05
Training/Assembly/Set-in-Place Installation	\$139,342.95
Estimated Sales Tax	\$156,693.80
Total (Not to Exceed Contract Amount)	\$1,990,023.80
3. SOURCE OF FUNDING: Aviation Department



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4. FISCAL IMPACT:	FY 08-09	\$270,121.29
	FY 09-10	\$1,636,666.37
	FY 10-11	\$83,236.14
		<u>\$1,990,023.80</u>

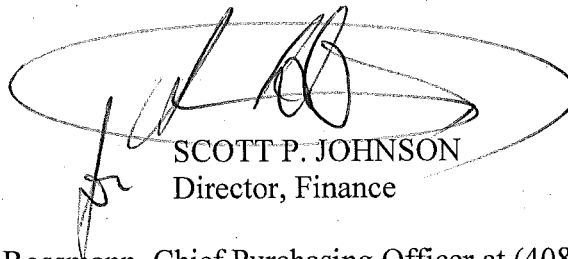
BUDGET REFERENCE

The table below identifies the fund and appropriation proposed to fund the agreement recommended as part of this memo.

Fund #	Appn #	Appn. Name	Total Appn	Amt. of Agreement	2008-2009 Adopted Capital Budget Page	Last Budget Action (Date, Ord. No.)
520	4657	North Concourse	\$14,240,000	\$53,928	V-994	10/21/08 Ord. No. 28422
526 (548)	4657	North Concourse	\$30,052,000	\$1,119,633	V-994	02/10/09 Ord. No. 28492
526 (554)	5253	Terminal Area Improvements, Ph 1	\$115,549,000	\$973,827	V-998	2/10/09 Ord. No. 28492
526 (528)	4164	Consolidated Rental Car Facility	\$37,338,000	\$24,564	V-986	10/21/08 Ord. No. 28422
526 (555)	5246	Public Parking Garage	\$2,005,000	\$1,402	V-988	10/21/08 Ord. No. 28422
		TOTAL:	\$199,184,000	\$2,173,354		

CEQA

Not a project.


 SCOTT P. JOHNSON
 Director, Finance

For questions please contact Walter C. Rossmann, Chief Purchasing Officer at (408) 535-7051.

